

Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-09 ISO-00 FEA-01

ERDA-07 AID-05 CEA-01 CIAE-00 COME-00 EPG-02

DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 OES-07 SP-02

SS-15 STR-04 TRSE-00 ACDA-10 PA-02 PRS-01 /159 W

-----160846Z 015324 /10

R 160500Z MAY 77

FM AMCONSUL DHAHRAN

TO SECSTATE WASHDC 5428

INFO AMEMBASSY CAIRO

AMEMBASSY TRIPOLI

AMEMBASSY ALGIERS

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY JAKARTA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY MUSCAT

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY ROME

AMEMBASSY TEL AVIV

AMEMBASSY VIENNA

AMEMBASSY CARACAS

AMEMBASSY TOKYO

AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY TEHRAN

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

USINT BAGHDAD

USLO RIYADH

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UNCLAS SECTION 1 OF 2 DHAHRAN 0561/1

E.O. 11652: N/A

TAGS: ENRG, YW

SUBJECT: ARAMCO FACTS AND FIGURES

1. QUOTED BELOW IS A FACT SHEET PREPARED BY THE ARABIAN

AMERICAN OIL COMPANY (ARAMCO) MAY 7, 1977 FOR USE IN BRIEFING VISITORS TO THE COMPANY'S DHAHRAN HEADQUARTERS. THIS UP-TO-DATE SUMMARY OF THE ACTIVITIES OF THE WORLD'S LARGEST PRODUCING OIL COMPANY MAY BE HELPFUL TO THOSE IN THE DEPARTMENT AND OTHER POSTS INTERESTED IN PETROLEUM MATTERS.

2. BEGIN QUOTE:

ARAMCO FACTS AND FIGURES

2. IN 1976 SAUDI ARABIA'S PRODUCTION LEVEL OF 8,345,000 BARRELS PER DAY (NOT INCLUDING NEUTRAL ZONE OIL) HURPASSED THE U.S. AVERAGE PRODUCTION OF 8,114,000 BARRELS PER DAY, MAKING SAUDI ARABIA THE WORLD'S SECOND LARGEST PRODUCER OF OIL. IN 1977 SAUDI ARABIA MAY VERY WELL PASS UP THE SOVIET UNION, WHICH PRODUCED 10,364,000 BARRELS PER DAY IN 1976, TO BECOME NUMBER ONE.

3. AT THE BEGINNING OF 1977 WORLD CRUDE RESERVES -- INCLUDING THOSE OF THE COMMUNIST COUNTRIES -- WERE ESTIMATED BY THE OIL AND GAS JOURNAL AT ABOUT 600 BILLION BARRELS, OF WHICH ABOUT 330 BILLION BARRELS ARE LOCATED IN THE MIDDLE EAST.

4. ALMOST 50 PERCENT OF THE WORLD'S PROVED RECOVERABLE RESERVES ARE IN THE ARAB STATES BORDERING THE ARAB GULF. ABOUT ONE-QUARTER OF THE FREE WORLD'S RESERVES ARE IN THE EASTERN PROVINCE OF SAUDI ARABIA. BY CONTRAST, IRAN HAS 10 PERCENT OF WORLD RESERVES AND THE UNITED STATES, UNCLASSIFIED

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INCLUDING ALASKA, ONLY 5 PERCENT.

5. THE UNITED STATES WHICH HAS ONLY 5 PERCENT OF WORLD RESERVES, PRODUCED 14.2 PERCENT OF WORLD CRUDE IN 1976. SAUDI ARABIA, BY CONTRAST, WITH ALMOST A QUARTER OF THE RESERVES, PRODUCED ONLY 14.6 PERCENT OF THE TOTAL CRUDE.

6. ARAMCO IS THE LARGEST SINGLE CRUDE OIL PRODUCING COMPANY IN THE WORLD. TOTAL FREE WORLD PRODUCTION IN 1976 WAS 44.9 MILLION BARRELS PER DAY. IN 1976 ARAMCO PRODUCED AN AVERAGE OF 8.3 MILLION BARRELS PER DAY. IN MARCH 1977, ARAMCO EXPORTED ABOUT 9.3 MILLION BPD. ON MANY DAYS ARAMCO HAS DELIVERED OVER 10 MILLION BARRELS. THIS IS ALMOST 2 MILLION BARRELS GREATER THAN THE AVERAGE PRODUCTION OF THE ENTIRE UNITED STATES.

7. ARAMCO'S CONCESSION CONTAINS BOTH THE LARGEST ONSHORE OIL FIELD AND THE LARGEST OFFSHORE OIL FIELD IN THE WORLD. OUR CONCESSION AREA COVERS APPROXIMATELY

85,000 SQUARE MILES. THE DISTANCE BETWEEN DHAHRAN AND RIYADH IS APPROXIMATELY 250 MILES. IT IS ABOUT 500 MILES FROM DHAHRAN TO THE MOST DISTANT PART OF OUR CONCESSION AREA.

8. ARAMCO HAS 37 MAJOR OIL FIELDS. WE CARRY PROVED RECOVERABLE RESERVES FOR THESE FIELDS AT ABOUT 110 BILLION BARRELS. 'PROVED RESERVES' ARE, AS YOU KNOW, AN EXTREMELY CONSERVATIVE MEASURE. OUR 'PROBABLE RESERVES' ARE ESTIMATED TO BE NEARLY 178 BILLION BARRELS -- ALMOST EQUAL TO THE COMBINED TOTAL RESERVES OF THE ENTIRE WESTERN HEMISPHERE PLUS RUSSIA. THE SINGLE ARAMCO FIELD, GHAWAR, HAS PROVED RECOVERABLE CRUDE RESERVES EXCEEDING THOSE OF THE ENTIRE UNITED STATES, INCLUDING ALASKA.

9. ALTHOUGH ARAMCO HAS THE CAPACITY TO PRODUCE 11 MILLION BARRELS PER DAY, WE HAVE ONLY SOME 700 PRODUCING WELLS.
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BY CONTRAST, THE UNITED STATES REQUIRES ABOUT 500,000 WELLS TO PRODUCE AROUND 8 MILLION BARRELS PER DAY. EACH YEAR WE DRILL MANY WELLS FOR A VARIETY OF PURPOSES SUCH AS EXPLORATION, DELINEATION, OBSERVATION, WATER SUPPLY, AND GAS AND WATER INJECTION FOR PRESSURE MAINTENANCE -- AS WELL AS FOR PRODUCTION. LAST YEAR WE DRILLED 139

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DEVELOPMENT AND EXPLORATION WELLS TO A COMBINED DEPTH
OF OVER A MILLION FEET ABOUT 190 MILES OF HOLE.

10. ARAMCO'S SYSTEMATIC PROGRAM OF EXPLORATION HAS
ACHIEVED A CRUDE OIL DISCOVERY RATE THAT HAS MORE THAN
KEPT UP WITH OUT GROWING PRODUCTION. LAST YEAR WAS AN
EXCEPTION AS WE ADDED 3.2 BILLION BARRELS TO OUR PROVIDED
RESERVES, WHILE PRODUCING SLIGHTLY OVER 3 BILLION BARRELS.
ARAMCO DISCOVERED THREE NEW FIELDS LAST YEAR.

11. CRUDE OIL PRODUCTION FROM THE VARIOUS ARAMCO FIELDS
IS DIVIDED INTO THREE BASIC GRADES, ARABIAN LIGHT,
MEDIUM AND HEAVY. ARAMCO'S ARABIAN LIGHT IS THE 'MARKER
CRUD' WHICH IS USED AS THE REFERENCE BASE FOR THE WORLD CRUDE
OIL PRICING STRUCTURE. MOST OF THE CRUDE PRODUCED BY ARAMCO
IS HIGH IN HYDROGEN SULFIDE CONTENT. ARAMCO'S CRUDE OIL
IS NOT PUMPED TO THE SURFACE, BUT FLOWS FROM THE ENERGY IN THE
RESERVOIR. AS NECESSARY, THE FLOW IS SUSTAINED BY GAS OR
WATER INJECTION. NATURAL GAS IS REMOVED FROM THE OIL IN
GAS-OIL-SEPARATOR-PLANTS. THE NATURAL GAS ASSOCIATED WITH THE
OIL WHICH ARAMCO PRODUCES IS ITSELF A VALUABLE HYDROCARBON

RESOURCE.

12. THE HUGE GAS GATHERING AND TREATING SYSTEM WHICH ARAMCO IS BUILDING FOR SAUDI ARABIA WILL PERMIT THE NATURAL GAS TO BE USED AS FUEL AND PETROCHEMICAL FEEDSTOCK FOR THE VAST INDUSTRIAL COMPLEXES WHICH SAUDI ARABIA IS PLANNING FOR JUBAIL AND YANBU'. ALRD
DY ARAMCO IS THE WORLD'S
LARGEST EXPORTER OF NATUAL GAS LIQUIDS; THAT IS, LPG
AND NATURAL GASOLINE. LAST YEAR WE DELIVERED AN AVERAGE
OF 183 THOUSDAND BARRELS PER DAY.

13. THE ARMCO REFINERY AT RAS TANURA HAS A CAPACITY
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TO PROCESS OVER 400,000 BARRELS OF CRUDE OIL PER DAY,
MAKING IT ONE OF THE WORLD'S LARGEST REFINERIES.

14. RAS TANURA IS ALSO THE SITE OF ONE OF OUT RWO ARAB
GULF EXPORT TERMINALS. THE RAS TANURA TERMINAL HAS AN
EXPORT CAPACITY OF ABOUT 8 MILLION BARRELS PER DYA. A FEW
MILES NORTH OF RAS TANURA, AND INTERCONNECTED BY PIPE-
LINES, IS OUR NEW OIL TERMAINAL, JU'AYMAH, WHICH HAS A
CAPCITY OF 3 MILLION BARRELS PER DAY. CURDE IS LOADED
AT JU'AYMAH THROUGH UNDERWATER OIL LINES WHICH RUN SEVEN
MILES OFFSHORE TO METERING PLATFORMS AND MOORIPO BUOYS.
THESE 'SINGLE MOORING BUOY'S OR SMB'S ARE A RELATIVELY
NEW CONCEPT WHICH PERMITS DEDDWATER LOADING OF THE
LARGEST TANKERS.

15. ARAMCO CRUDE OIL EXPORTS, REQUIRE ABOUT ONE-THIRD
OF THE ENTIRE WORLD TANKER FLEET.

16. ARAMCO HAS A WORK FORCE OF OVER 20,000 PEOPLE IN SAUDI
ARABIA, INCLUDING ABOUT 2,000 AMERICAN EMPLOYEES PLUS THEIR
DEPENDENTS. IT HAS BUILT THREE LARGE FAMILY COMMUNITIES
AT RAS TANURA, ABQAIQ AND DHAHRAN, IN ADDITION TO SMALLER
OPERATING CENTERS. IT PROVIDES EVERYTHING FROM SCHOOLS
AND HOSPITALS TO SEWER SYSTEMS AND EVEN A TV STATION.

17. ARAMCO RUNS AN INDUSTRIAL TRAINING PROGRAM WITH
5,800 SAUDI ARAB EMPLOYEES AS STUDENTS, AND IT HAS HELPED
ABOUT 9,000 EMPLOYEES BECOME HOMEOWNERS. ARAMCO HAS BUILT
SAUID GOVERNMENT SHCOOLS FOR OUR SAUDI EMPLOYEE'S
DEPENDENTS, AND IT IS VERY ACTIVE IN PROMOTING LOCAL INDUSTRIAL
DEVELOPMENT, INCLUDING AGRO-BUSINESS PROJECTS.

18. THE SAUDI ARAB GOVERNMENT HAS ASKED ARAMCO TO BECOME
INVOLVED IN TWO MAJOR PROJECTS WHICH SUPPLEMENT THE GOVERNMENT'S
142 BILLION DOLLAR FIVE-YEAR PLAN. ONE OF THESE IS THE GAS

GATHERING PROJECT, WHICH WILL INVOLVE THE CONSTRUCTION OF
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THOUSANDS OF MILES OF PIPELINE AND SEVERAL MAJOR PROCESS
COMPLESES. THIS WILL BE PERHPAS THE LARGEST SINGLE
INDUSTRIAL CONSTRUCTION PROJECT IN HISTORY. THE
SAUDI GOVERNMENT HAS ALSO ASKED ARAMCO TO PARTICIPATE IN THE
CONSTRUCTION OF AND OPERATION OF AN INTEGRATED POWER GRID
WHICH WILL PROVIDE BULK POWER FOR VILLAGES AND
RESIDENTIAL AREAS IN THE EASTERN PROVINCE AND TO THE JUBAIL
INDUSTRIAL COMPLES. END QUOTE.
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